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Weekly Contributions 37-50
Latin America Division, ORE, CIA
12 September 1950

Of the developments reported on this week, that on the possibility of serious consequences arising from the current disturbances in Bolivia (p. 2) is of particular importance.

CURRENT DEVELOPMENTS

NORTHERN AREA: El Salvador's claim to offshore sovereignty to a distance of 200 miles is in conflict with US interests (p. 2).

SOUTHERN AREA: In Bolivia, the current disorders may threaten the stability of the government (p. 2). Uruguay's Communists retain their capability of causing damage through the instigation and prolongation of strikes (p. 2).

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1. EL SALVADOR: Extension of Territorial Claims Conflicts With US Interests

El Salvador's claim to absolute sovereignty over off-shore waters to a distance of 200 miles is in direct conflict with US interests in freedom of navigation and in unrestricted fishing on the high seas. This claim, similar to claims considered by other Latin American countries (Chile, Peru, Costa Rica) has now been included in the final draft of the new constitution, signed on 7 September 1950. Inasmuch as the United States has indicated to high Salvadoran officials that it will not consider Salvadoran permission necessary for navigation within the 200-mile limit, that US commercial fishing operations will not be withdrawn, and that US fishermen cannot be expected to pay tribute for their operations, the basis for continued disagreement between the two countries has developed. Such differences, however, will of necessity remain exclusively on a diplomatic level until El Salvador -- which now has no means of patrolling within its newly defined sea frontier -- creates a coast guard capable of apprehending violators.

2. BOLIVIA: Student Unrest Reaches Serious Proportions

Current unrest among La Paz students, which began with the strike of 21 August and has led to intermittent disorders since that time, has now reached serious proportions. The anti-government demonstrations on 8 September, [] involving between 1,500 and 3,000 persons, are said to have been instigated by the MNR, PIR, Communists, and other subversive groups. Thus far violence has been sporadic, and very few people have been killed, but additional demonstrations are [] planned by the students and their followers.

As there is a possibility that recent unrest among mine laborers, which in part arose from student agitation, may revive with the imminent renewal of the trial of the perpetrators of the Catavi outrages, disorders may occur elsewhere in the country. If the serious unrest in La Paz spreads to the mining areas, the government, which has been weakened by a lack of solidarity within the army and within the administration, may be confronted with a situation beyond its powers to control.

3. URUGUAY: Communists Continue to Aggravate Labor Situation

The Uruguayan government is expected to use the police and possibly the army to maintain order in the Communist-led sympathy demonstration scheduled to start on 12 September. The government is in a difficult position, since it must not antagonize the labor vote by severe repression of this demonstration, nor must it allow the Communists to provoke violence as this is an election year. The demonstration, in which the Communists optimistically hope to involve 100,000 workers, is in support of the strike of the Communist-dominated metal workers' union, now in its second month. Although

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this strike has not seriously affected US security interests as did the recent wool strike, it has already served Communist purposes by causing considerable damage to the Uruguayan economy; has embarrassed the administration in the pre-election period; and has demonstrated the continued ability of Uruguayan Communists to initiate and prolong strikes.

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